

Senate Bill No. 954

CHAPTER 650

An act to amend Section 12419.8 of the Government Code, relating to state government.

[Approved by Governor September 27, 2012. Filed with
Secretary of State September 27, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 954, Liu. Controller: offset payments.

Existing law authorizes the Controller to offset or deduct certain amounts due a city or county to satisfy certain state claims. Existing law requires the Controller, at the request of the city or county, to offset any amount due a city or county against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board or for a refund from the State Board of Equalization, under specified provisions of law, or winnings from the California State Lottery.

This bill would include in the Controller's required calculation of the offset amount due a city or county, any amount owing the person or entity by a state agency on a claim filed by the owner, as described, for payment of unclaimed property held by the state.

The people of the State of California do enact as follows:

SECTION 1. Section 12419.8 of the Government Code is amended to read:

12419.8. (a) The Controller may, in his or her discretion, offset any amount due a city or county from a person or entity pursuant to paragraph (1), (2), or (4) of subdivision (c), and shall, at the request of the city or county, offset any amount due a city or county from a person or entity pursuant to paragraph (3) of subdivision (c), against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law, a claim for refund from the State Board of Equalization under the Sales and Use Tax Law, from winnings in the California State Lottery, or a claim filed by the owner, as described in subdivision (d) of Section 1540 of the Code of Civil Procedure, for payment of money from unclaimed property held by the state. Standards and procedures for submission of requests for offsets shall be as prescribed by the Controller. Whenever insufficient funds are available to satisfy an offset request, the Controller, after first applying the amounts available to any amount due a state agency, may allocate the balance among any other requests for offset.

(b) The Controller shall deduct and retain from any amount offset in favor of a city or county an amount sufficient to reimburse the Controller, the Franchise Tax Board, the State Board of Equalization, or the California State Lottery for their administrative costs of processing the offset payment.

(c) This section shall apply only to any of the following situations:

- (1) Where the amount has been reduced to a judgment.
- (2) Where the amount is contained in an order of a court.
- (3) Where the amount is from a bench warrant for payment of any fine, penalty, or assessment.

(4) Where the amount is delinquent unsecured property taxes on which a certificate lien has been filed for record in the office of the county recorder pursuant to Section 2191.3 of the Revenue and Taxation Code.

(d) For purposes of paragraph (4) of subdivision (c):

(1) Upon the tax collector's request for taxpayer identification numbers required by the Controller's procedures, the tax collector shall immediately notify the appropriate assessee, by registered or certified mail, that the request has been made for the purpose of intercepting refunds from the state government due the taxpayer, in order to offset the delinquent property tax obligation. The letter shall state that if the assessee does not pay the outstanding tax amount to the tax collector within 20 days, the required taxpayer identification number will be so provided.

(2) The tax collector shall not be named in any action that may be brought as a result of compliance with this subdivision.